

Will Buy	Will Sell
5 Detroit Edison Co.	40 Attna
Con. Gs, 1924	50 Biograph Co.
50 Ingersoll-Rand	50 United Gas & Elec. 1st Pfd
25 Aetna	10 E. W. Bliss
500 Ua. Fruit "Rts"	25 Indian Ref. Com.
200 Maxwell Motor Div. War.	25 Indian Ref. Pfd.
100 Dodge Sea. "Rts"	5 Amer. Power & Lig. Gs, 1921
300 Wills-Ov. "Rts"	20 Savage Arms
20 Savage Arms	5 Winchester
500 Erie "Rights"	10 Savage Arms

STANDARD OIL STOCKS Bought—Sold—Quoted.

Gude, Winmill & Co.
Members New York Stock Exchange:
20 Broad St., N. Y. Tel. Rector 8880

How Have Your Bonds Acted Since 1909?

Send for our Pamphlet AD-82 entitled

The Trend Of The Bond Market

you may then compare the general trend of bond prices with the course of your own investment holdings during the last six years.

N.W. Halsey & Co.
49 Wall Street, New York
Philadelphia Chicago San Francisco
Boston Baltimore St. Louis

Amer. Gas & Electric Co.
Amer. Power & Light Co.
Central Petroleum Co.
Cities Service Co.
Pacific Gas & Elec. Co.
Standard Gas & Elec. Co.
Utah Securities Corp.

Lamarche & Coady
Phone 9970 Rector 14 Wall St.

Ajax
Rubber Company Stock
Bought—Sold—Quoted
Descriptive circular on request.

CHANDLER BROS. & CO.
Members New York Stock Exchange
34 Pine Street, New York

American Brass Co.
Aetna Explosives Co.
Du Pont-Hercules-Atlas
Niles-Bement-Pond Com.
Yale & Towne

Lamarche & Coady
Phone 9970 Rector 14 Wall St.

J. K. Rice, Jr. & Co. Buy & Sell

N. J. Zinc
J. K. Rice, Jr. & Co.

Phones 4001 to 4010 John. 36 Wall St., N. Y.

Benjamin Franklin says:
"The honest man takes pains."

THE preparation of your schedule of income for the year 1915 will take pains and time.

This Company is ready to assist you in compiling the annual income return, which must be filed on or before March 1, 1916.

Established 1865
Franklin Trust Company
New York Office 46 Wall Street
Brooklyn 166 Montague Street
Offices 156 Fulton Street

Guaranty Trust Company of New York
140 Broadway

Fifth Ave. Branch
Fifth Ave. & 43rd St.

BANKERS TRUST COMPANY
Efficient Service in all Trustship business

FINANCIAL OUTLOOK FOR THE NEW YEAR

Prospect Inspires Confidence With Certain Safeguards of Doubt.

VALUES STRONGLY BASED

At the outset of 1916 finance and business, looking back through 1915, can only regard its events as constituting the most wonderful year in our economic history; and the contemporary reviews of these events have value in helping us to determine the prospect for the twelve-month on which we have entered. Nevertheless, the year 1916 contains on its own account so many unknown and unknowable elements of tremendous importance that the solution of the problem which will offer depends only in part on the problems solved in the recent past. The greatest assistance we will have in this respect is derived from the confidence gained in the success of the American people in overcoming tremendous difficulties and obstacles. Our foreign trade is still moving on a enormous and record breaking scale, with indications that the trade balance of about \$1,750,000,000 in 1915 will be maintained, if not exceeded, in 1916. We are entering 1916 with all lines of domestic trade and industry ahead. Our foreign trade has reached a new record level which lay in the path to the present state of prosperity and profitable activity and in the still more reassuring success achieved in keeping a steady line of exports to disastrous loss of control.

One of the questions which naturally arise to-day is suggested by the contrast between financial and business conditions of 1915 and those of the whole year, glad similarly to be alive and content with the most modest expectations of the year that lay ahead. At the opening of 1916 sentiment is altogether more sanguine and there is a general conviction that the period which stretches before us to the end of the new year will unfold a chronicle of persistent advance in values and increase in volumes. Accordingly we are all disposed to hope that we ought to be in a position to profitably realize a further movement of trade and industry. New enterprise, which has languished for years, is straining again and capital is taking advantage of the opportunities and inducements to offer to venture for the exploitation of new fields of wealth creating endeavor. In general 1915 provided for a reaping of financial and commercial profits which have been only partially gathered and will tell more effectively in the production expenditures of 1916.

Nothing was more auspicious in the year which has just ended nor in its forecast for the future than the remarkable rate of growth and development of railroad credits. November returns of revenue have been surpassing all previous monthly exhibits and a foundation has been laid for new railroad financing which means a favorable development of trade and industry. New enterprise, which has languished for years, is straining again and capital is taking advantage of the opportunities and inducements to offer to venture for the exploitation of new fields of wealth creating endeavor. In general 1915 provided for a reaping of financial and commercial profits which have been only partially gathered and will tell more effectively in the production expenditures of 1916.

The optimistic facts of the whole situation are all summarized in the state of the securities market. Despite the return of possibly a billion and a half dollars of capital and surplus and dividends from abroad in the past year we have been able to move far along in the reversal of our status from that of a debtor nation to that of a creditor nation by loans to other countries represented by bonds and by a million dollars of foreign securities which have floated here. How enormously our resources have been recruited is amply evinced by the fact that as the new year begins the average of representative bonds stands at a maximum higher than it was a year ago, while the average of representative shares is from 25 to 35 points higher. If the specifications have risen so extensively, we might well be inclined to say maximum. Nor in this exhibit is anything more impressive than the momentum of expansion which railroad stocks have been revealing lately against foreign selling. The underlying statements of earnings are only partially responsible for the absorption of railroad shares. A very large contribution has been made by the signs that political and social and changing difficulties, including the women carriers, with some release from the operations of Government regulation. A survey of all the principal factors of values leads to the conclusion that there is a valid basis for confidence. The basis of confidence is the ability to keep the war out of business, to obtain employment and finding increasing incentives for its occupation. As long as we do not lose sight of the abnormal factors and continue to relate them to the future our progress will be measurably sound and reasonably safe.

One of these aspects has to do with the duration of the conflict. There is no immediate sign of the termination of the war will shortly come into sight and no basis for possible peace negotiations appears to have been established. The assumption that we have still to reckon with a continuation of the war is not without its interest. It involves also a question as to the condition of exhaustion in which belligerents may find themselves at the close of the war. Again, we have to keep in mind the outcome of the struggle for we have a date set for the war to end. This date must be deeply concerned sooner or later to know if a complete victory is to be won and which side will win. We have had evidence that military operations have been reflected here in our advance in financial and business recovery, and the shock which was administered to the Wall Street stock market in the last two months of the year was in all probability some response to the turn with the war toward the south-eastern theater.

At all times we shall be confronted with the perpetual necessity of determining our political relation to the war, for our status of official neutrality should not affect all international relations with us except, even though it may not be the long run very adversely. With regard to this, the belligerents have no more desire to draw this country into the war than the country has to be drawn in.

There remains the subject of war finance involving our economic relations to the struggle, and inquiries in this direction can be referred to the precedent furnished by 1915 as a fairly adequate guide to the right answer. At the same time we must bear in mind that the financial strength of the belligerents is progressively decreasing and foreign financial weakness must be taken into account in all our projects. We are particularly interested in the financial and economic relations with Britain, meaning in the last analysis the services which British finance has to draw upon. We may therefore regard it as fortunate that there is still such a large fund of British investment in our country, and that we can still rely on the available means of payment to settle the enormous trade balances which will continue to accrue in our favor if our export movement with Great Britain and her allies is to be sustained.

The question which our finance asks in this regard is whether in a year or two, how to absorb offerings of securities from abroad, but whether the supply of securities will be forthcoming in sufficient volume to maintain the principal form of foreign exchange, the sterling system, in a stable condition of stability. The operations which have restored sterling to stability lately at a substantial rally from the extreme decline reached in September and the beginning of the British Government's financial and other securities from abroad, to which British hands show that energetic endeavors are making to permit uninterrupted recourse to our markets.

Not the least of the financial difficulties the war will create. There are many uncertainties which will serve to keep financial and business optimism from extravagant manifestations. This will be an important political year at home and with the Presidential election to look forward to dispositions to reckless exploits with values must necessarily be limited, even though of

politics it may be said that the worst which the country apparently has in store for it is at least as good as what it has now. Then there is the trouble of the position of labor, the consequences of the suspension of business activity in all employment with a developing shortage for workmen skilled and unskilled. The labor problem will be a brake on too rapid and continuous expansion, though it is likely that trades and industries' profits will permit wage increases to provide at least a temporary solvent of most labor troubles.

Emphasis, perhaps preponderant emphasis, is appropriately placed on the abnormal elements in our situation, for we must adjust our perspectives to the temporary character of the war factors which are operating with such enormous force. The war has not yet begun in the situation and is not yet over. A very real and substantial facts of a normal nature at the foundation of the business recovery and expansion in which we are engaged. These influences are the result of the war and more directly to the progress of expansion, and it is chiefly such normal influences which make the outlook for 1916 one of promise, promise, provided we keep both the war and the peace in mind.

Our banking position was never so strong as to-day, with its gold reserves augmented and still in process of augmentation by gold importations and with the budget balanced by the Federal reserve banking system. Since the outbreak of the war two hundred crop years, the harvests of 1915 having broken all records for abundance and for additions to national wealth, we are in a position to meet the war and more effectively than ever before. Our foreign trade is still moving on a enormous and record breaking scale, with indications that the trade balance of about \$1,750,000,000 in 1915 will be maintained, if not exceeded, in 1916. We are entering 1916 with all lines of domestic trade and industry which is a good omen for steady and rapid progress.

Nothing was more auspicious in the year which has just ended nor in its forecast for the future than the remarkable rate of growth and development of railroad credits. November returns of revenue have been surpassing all previous monthly exhibits and a foundation has been laid for new railroad financing which means a favorable development of trade and industry. New enterprise, which has languished for years, is straining again and capital is taking advantage of the opportunities and inducements to offer to venture for the exploitation of new fields of wealth creating endeavor. In general 1915 provided for a reaping of financial and commercial profits which have been only partially gathered and will tell more effectively in the production expenditures of 1916.

The optimistic facts of the whole situation are all summarized in the state of the securities market. Despite the return of possibly a billion and a half dollars of capital and surplus and dividends from abroad in the past year we have been able to move far along in the reversal of our status from that of a debtor nation to that of a creditor nation by loans to other countries represented by bonds and by a million dollars of foreign securities which have floated here. How enormously our resources have been recruited is amply evinced by the fact that as the new year begins the average of representative bonds stands at a maximum higher than it was a year ago, while the average of representative shares is from 25 to 35 points higher. If the specifications have risen so extensively, we might well be inclined to say maximum. Nor in this exhibit is anything more impressive than the momentum of expansion which railroad stocks have been revealing lately against foreign selling. The underlying statements of earnings are only partially responsible for the absorption of railroad shares. A very large contribution has been made by the signs that political and social and changing difficulties, including the women carriers, with some release from the operations of Government regulation.

A survey of all the principal factors of values leads to the conclusion that there is a valid basis for confidence. The basis of confidence is the ability to keep the war out of business, to obtain employment and finding increasing incentives for its occupation. As long as we do not lose sight of the abnormal factors and continue to relate them to the future our progress will be measurably sound and reasonably safe.

One of these aspects has to do with the duration of the conflict. There is no immediate sign of the termination of the war will shortly come into sight and no basis for possible peace negotiations appears to have been established. The assumption that we have still to reckon with a continuation of the war is not without its interest. It involves also a question as to the condition of exhaustion in which belligerents may find themselves at the close of the war. Again, we have to keep in mind the outcome of the struggle for we have a date set for the war to end. This date must be deeply concerned sooner or later to know if a complete victory is to be won and which side will win.

We have had evidence that military operations have been reflected here in our advance in financial and business recovery, and the shock which was administered to the Wall Street stock market in the last two months of the year was in all probability some response to the turn with the war toward the south-eastern theater.

At all times we shall be confronted with the perpetual necessity of determining our political relation to the war, for our status of official neutrality should not affect all international relations with us except, even though it may not be the long run very adversely. With regard to this, the belligerents have no more desire to draw this country into the war than the country has to be drawn in.

TRANSACTIONS FOR THE WEEK.

Railroad and Other Shares.

The following table gives, in addition to the sales for the past week and range of stocks on the New York Stock Exchange, their dividend yields calculated on the closing sale or bid prices on Friday night:

Div.	Stocks	Week ended Dec 31						1915.
		Sales	High	Low	Closing	Change	Highest	
8.25	Adams Express	890	145	132	145 +13	145	Dec 30	1915
—	Alaska Gold	500	282	242	242 +1	494 Oct 9	211a Dec 9	118 Jan 1
—	Alaska Jewelers	465	100	98	98 +1	131a Nov 4	94 Dec 9	118 Jan 1
—	Alaska Min.	320	32	32	31 +1	100 Dec 10	94 Dec 9	118 Jan 1
7.41	Allis Chalmers Mfg. Co.	730	870	81	81 +1	148 Dec 30	33 Feb 10	7.51 Allis Chalmers Mfg. Co.
—	Am Beet Sugar	410	700	618	702 +1	728 Dec 7	331a Jan 6	5.50 Lorillard Tob.
5.58	Am Beer	305	64	63	63 -1	95 Nov 27	83 Dec 1	5.15 Lorillard Tob. pf.
5.66	Am Chem.	2600	728	708	724 +1	745 Nov 8	48 Dec 1	5.11 Mackay Cos. pf.
6.12	Am Chem. pf.	100	984	984	984 +1	1011 Nov 19	90 Dec 1	5.85 Manhattan
5.15	Am Brake Co.	170	102	101	102 +1	102 Dec 10	95 Dec 1	5.85 Manhattan Beach
—	Am Can.	285	61	60	61 +1	618 Dec 10	45 Feb 10	5.85 Manhattan Beach pf.
6.26	Am Can. pf.	190	112	111	112 +1	113 Dec 10	91 Jan 10	5.73 Manhattan Shirts pf.
5.00	Am Car & F.	550	794	77	784 +1	98 Oct 9	40 Feb 10	5.15 Manhattan Shirts pf.
7.20	Am Car & F. pf.	700	118	117	118 +1	118 Dec 10	84 Jan 10	5.00 Maxwell M 1st p.
6.09	Am Coal Prod.	600	160	158	158 +1	158 Dec 10	120 Jan 10	5.00 Maxwell M 2 pf.
6.09	Am Coal Prod. pf.	600	564	548	548 +1	64 Dec 10	46 Jan 10	5.33 May Dept Stores
6.15	Am Coal Oil pf.	100	99	99	100 +1	102 Nov 4	91 Dec 10	5.73 May Dept Stores pf.
6.22	Am Express	300	1281	126	1281 +1	128 Dec 10	104 Jan 10	5.73 May Dept Stores pf.
6.22	Am Express	300	1281	126	1281 +1	128 Dec 10	104 Jan 10	5.73 May Dept Stores pf.
6.22	Am Express	300	1281	126	1281 +1	128 Dec 10	104 Jan 10	5